

DIRECTOR OF CENTRAL INTELLIGENCE

Executive Registry

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25 April 1986

MEMORANDUM FOR: Director
DCI/DDCI Executive Staff

FROM: DCI

Here's the latest contribution received from the Speechwriter in Public Affairs. I haven't had a chance to look at it - we'll talk about it when I get back. I want to talk to you about the whole speechwriting problem.

C

William J. Casey

Attachment:
Draft of 5 May AFIO Speech



B-801-IR



Central Intelligence Agency
Washington, D.C.
(703) 351-7676

George V. Lauder
Director, Public Affairs

23 April 1986

DCI:

Attached is the draft of your remarks to the AFIO "National Intelligence Symposium" to be held 5 May at Naples, Florida. As you directed, the speech draws upon your Sievers remarks and incorporates material on the intelligence process. Soviet expansionism, terrorism, world debt, and proxy wars are discussed as key problems facing CIA. The context is that western intelligence fundamentally differs from that of Marxist societies, and seeks to protect democracy by understanding change.

Your audience will consist of about 400 persons. Most have no intelligence background and are not AFIO members. One of the speakers following you will speak on "Intelligence is Doing its Job." Your speech will give evidence of that fact, acquaint the audience with current world problems, and describe the role of CIA in supporting the President and his advisers.

Larry
Speechwriter

MEMORANDUM FOR:

Larry.

Here with the DCI's
"fixer" in his samples
speech.

We need to do this
ASAP, per his note.
Perhaps you should
stay & be available tomorrow
now. (date) What do you
think? or

DCI REMARKS


AT AFIO "NATIONAL INTELLIGENCE SYMPOSIUM"

NAPLES, FLORIDA

5 MAY 1986

"CIA AND CURRENT WORLD PROBLEMS"

GOOD MORNING, AND WELCOME TO THE NATIONAL INTELLIGENCE SYMPOSIUM BEING SPONSORED HERE IN SUNNY NAPLES BY OUR "ALUMNI," THE ASSOCIATION OF FORMER INTELLIGENCE OFFICERS. I AM HONORED TO BE HERE THIS MORNING, AND WILL OFFER AS MY CONTRIBUTION TO YOUR PROGRAM AN OVERVIEW OF THE "STATE OF NATIONAL INTELLIGENCE" AND TOUCH ON SOME OF THE PROBLEMS YOUR INTELLIGENCE SERVICE FACES IN THE WORLD TODAY. [PAUSE]

 (BACK WHEN LYNDON JOHNSON WAS PRESIDENT, DICK HELMS ASKED ME AND A FEW OTHERS OUT TO CIA HEADQUARTERS AT LANGLEY, VIRGINIA. HE WANTED US TO PUT TOGETHER A SCHOLARSHIP FUND TO HELP KEEP EXPERIENCED PEOPLE WHO HAD JOINED CIA AT ITS INCEPTION SOME 20 YEARS EARLIER AND WHO NOW WERE TEMPTED TO MOVE TO THE PRIVATE SECTOR TO MAKE ENOUGH MONEY TO SEND THEIR KIDS TO COLLEGE.

I RECALL SAYING, "DICK, WHAT KEEPS YOU HERE?" HE SAID, "WHEN YOU SIT HERE EVERY DAY AND SEE ALL THESE MESSAGES COMING THROUGH, AND REALIZE HOW BELEAGUERED THE UNITED STATES IS IN THE WORLD, YOU JUST HAVE TO STICK WITH IT."

NOW, AT THAT TIME, WE DOMINATED THE WORLD ECONOMICALLY, POLITICALLY, AND MILITARILY. RUSSIA WAS LARGELY CONFINED TO THE EURASIAN LANDMASS. AND THE ONLY OTHER WORRY WAS A "BRUSHFIRE" WAR IN VIETNAM.

2HOW DIFFERENT THE WORLD

HOW DIFFERENT THE WORLD IS TODAY!

THE WORLD--AND ESPECIALLY THE WORLD OF NATIONAL INTELLIGENCE--HAS
FUNDAMENTALLY CHANGED.

LET ME GIVE YOU SOME EXAMPLES OF JUST HOW THE WORLD HAS CHANGED FROM
THE INTELLIGENCE PERSPECTIVE. SOME OF YOU MAY OR MAY NOT BE AWARE OF THE
BROAD RANGE OF POLICY-RELEVANT ISSUES THAT WE IN CIA ARE CALLED UPON TO
ASSESS. CIA NOW CLOSELY MONITORS AND STUDIES A RANGE OF SUBSTANTIVE
ISSUES AND PROBLEMS THAT WOULD HAVE AMAZED OUR PREDECESSORS. IN ADDITION
TO OUR CONTINUING WORK ON THE SOVIET UNION, ABOUT WHICH I WILL SPEAK IN
SOME DETAIL, WE NOW COLLECT AND ANALYZE INFORMATION ON SUBJECTS AS
DIVERSE AS:

- °INTERNATIONAL TERRORISM, NARCOTICS AND ILLEGAL FINANCIAL FLOWS
- °INTERNATIONAL ECONOMIC AND FINANCIAL DEVELOPMENTS
- °FOREIGN INDUSTRIAL TECHNOLOGIES, TECHNOLOGY TRANSFER AND THEFT, AND
INTERNATIONAL ECONOMIC COMPETITION
- °NEW RESOURCES, MATERIALS, AND THE FUTURE OF ECONOMICALLY VITAL
COMMODITIES
- °INSURGENCIES AND INSTABILITY AROUND THE WORLD
- °THIRD WORLD DEBT
- °NUCLEAR AND CHEMICAL WEAPONS PROLIFERATION
- °AND MANY, MANY MORE.

3OUR SCOPE IS SO VAST

OUR SCOPE IS SO VAST THAT WE NOW MUST HAVE SPECIALISTS IN MORE THAN 60 DIFFERENT DISCIPLINES TO DEAL WITH THE RANGE OF ISSUES ON OUR PLATE. IN THE NEXT FEW MINUTES I WILL UNDERTAKE TO GIVE YOU A VIEW OF THE RANGE OF OUR FOREIGN POLICY CONCERNS AS SEEN BY AMERICAN INTELLIGENCE.

THE MAIN INTELLIGENCE PROBLEM FOR CIA HAS BEEN, AND WILL REMAIN, THE ANALYSIS OF THE CAPABILITIES AND INTENTIONS OF THE WORLD'S LEADING COMMUNIST POWER, THE UNION OF SOVIET SOCIALIST REPUBLICS.

TODAY, THE SOVIETS POSSESS A POWERFUL ARSENAL OF NUCLEAR OFFENSIVE MISSILES THAT IS CAPABLE OF TAKING OUT OUR LAND-BASED DETERRENT FORCE. IN THE PAST TWENTY YEARS, THEY HAVE BUILT UP A HUGE WEAPONS INDUSTRY CAPABLE OF TURNING OUT AN AMAZING PROFUSION OF NEW, HIGHLY-SOPHISTICATED CONVENTIONAL AND NUCLEAR WEAPONS.

CONSIDER FOR A MOMENT THAT THE SOVIETS HAVE DEVELOPED A NEW MISSILE LIKE OUR MIDGETMAN AND ANOTHER SIMILAR TO OUR MX--BOTH OF WHICH ARE ROAD OR RAIL-MOBILE. AND THE STEADY BUILD-UP IN CONVENTIONAL WEAPONS OPPOSITE NATO GOES ON AND ON. TODAY, THE SOVIETS HAVE TWICE AS MANY TROOPS AND PLANES, THREE TIMES AS MANY TANKS, AND FOUR TIMES AS MANY GUNS AS WE DO ON THE NATO CENTRAL FRONT IN GERMANY.

PERHAPS MOST ALARMING, THE SOVIETS HAVE INVESTED BETWEEN 15 AND 20 YEARS OF RESEARCH ON THEIR STRATEGIC DEFENSES--SOMETHING WE HAVE IGNORED TO OUR PERIL. AS YOU KNOW, THEY HAVE COMPLETED A BALLISTIC MISSILE DEFENSE SYSTEM AROUND MOSCOW. WE HAVE NO COMPARABLE SYSTEM. DESPITE THIS FEVERISH EFFORT TO BUILD THEIR OWN STRATEGIC DEFENSES, THE SOVIETS

.....LOUDLY BEAT THE PROPAGANDA

LOUDLY BEAT THE PROPAGANDA DRUM IN AN EFFORT TO SCUTTLE THE PRESIDENT'S EFFORT TO BUILD A CREDIBLE STRATEGIC DEFENSE OF OUR OWN.

THE FIVE YEAR PLAN WHICH GENERAL SECRETARY MIKHAIL GORBACHEV PUT BEFORE THE 27TH PARTY CONGRESS EARLY THIS YEAR CALLED FOR AMBITIOUS GROWTH AND MODERNIZATION OF CRITICAL HIGH TECHNOLOGY INDUSTRIES THAT SUPPORT THE SOVIET ARMED FORCES. MUCH OF THIS MODERNIZATION WILL BE CARRIED OUT WITH TECHNOLOGY PURCHASED OR STOLEN FROM THE WEST.

EVEN AT A TIME OF ECONOMIC DIFFICULTY AND A REORDERING OF DOMESTIC PRIORITIES, SOVIET DEFENSE PROGRAMS HAVE BEEN PROTECTED. INDEED, THE CURRENT HIGH LEVEL OF SOVIET MILITARY SPENDING WILL CONTINUE TO GROW. DESPITE OUR OWN INCREASES IN DEFENSE SPENDING OVER THE PAST FIVE YEARS, THE UNITED STATES HAS ONLY RECENTLY BEGUN TO CATCH UP WITH SOVIET WEAPONS ACQUISITION PROGRAMS.

NOW, THIS HUGE MILITARY FORCE MAY NEVER BE USED AGAINST THE UNITED STATES OR ITS NATO ALLIES--ALTHOUGH THE SOVIETS CLEARLY ARE QUITE PREPARED TO USE IT IF THEY BELIEVE THEIR HOMELAND TO BE THREATENED. THE LARGER THREAT MAY LIE ELSEWHERE. THE SOVIETS' MASSIVE NUCLEAR AND CONVENTIONAL FORCES MAY BE ONLY A SHIELD FOR MOTHER RUSSIA, MAKING IT EASIER AND LESS RISKY FOR THE SOVIETS TO INTIMIDATE WEAKER GOVERNMENTS AND TO GOBBLE UP STRATEGIC PIECES OF TERRITORY AROUND THE GLOBE. WE'VE SEEN THIS HAPPEN OVER THE LAST TWO DECADES--AND WE REALLY SHOULDN'T BE SURPRISED AT WHAT WE'VE SEEN. INDEED, THREE GENERATIONS OF SOVIET LEADERS HAVE TOLD US WHAT THEY WERE GOING TO DO.

....BACK IN 1961--FULLY
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BACK IN 1961--FULLY A QUARTER OF A CENTURY AGO--NIKITA KHRUSHCHEV, THEN PREMIER OF THE SOVIET UNION, SAID THAT COMMUNISM WOULD WIN NOT BY NUCLEAR OR CONVENTIONAL WAR, BUT BY "WARS OF NATIONAL LIBERATION." SINCE THEN, THE SOVIETS HAVE ESTABLISHED BRIDGEHEADS THROUGHOUT THE THIRD WORLD. TODAY THEY HAVE CLIENT STATES IN CUBA, VIETNAM, KAMPUCHEA, ANGOLA, ETHIOPIA, SOUTH YEMEN, MOZAMBIQUE, NICARAGUA, AND AFGHANISTAN. MANY OF THESE COUNTRIES AND THESE BASES ARE LOCATED EITHER NEAR STRATEGIC CHOKE POINTS OR IN AREAS OF ALMOST-CERTAIN REGIONAL CONFLICT. SLOWLY, BUT SURELY, THE SOVIETS ARE LINKING THESE GEO-STRATEGIC POSITIONS AROUND THE WORLD BY A GROWING LOGISTIC NETWORK.

THIS NEW PHENOMENON OF SOVIET EXPANSION OVERSEAS CREATES ANOTHER MAJOR INTELLIGENCE PROBLEM FOR US TO TRACK.

LET ME ILLUSTRATE THIS POINT BY DESCRIBING THE SOVIET COMPLEX IN THE CARIBBEAN, WHERE--WITH THE CUBANS AND NICARAGUANS--THEY ARE WORKING NIGHT AND DAY TO BUILD THE FIRST COMMUNIST BASE ON THE AMERICAN MAINLAND.

THE SOVIETS HAVE, OVER THE PAST TWENTY YEARS, CREATED IN CUBA THE SECOND STRONGEST MILITARY POWER IN THE WESTERN HEMISPHERE. SECOND ONLY TO OUR OWN. ESPECIALLY OVER THE LAST FEW YEARS, THE SOVIETS HAVE GIVEN CUBA MASSIVE AMOUNTS OF SOPHISTICATED WEAPONRY. MUCH OF THIS WEAPONRY--PLUS CUBAN MANPOWER--SERVES SOVIET ENDS IN AFRICA. YET ANOTHER EXTENSION OF THIS CUBAN BASE IS IN NICARAGUA. THE CUBANS ARE BUILDING IN NICARAGUA ONE OF LATIN AMERICA'S LARGEST AIRFIELDS. WHEN COMPLETED, THIS AIRFIELD WILL BE ABLE TO HANDLE THE LARGE SOVIET BOMBERS AND RECONNAISSANCE AIRCRAFT WHICH FLY REGULARLY FROM THE KOLA PENINSULA IN THE SOVIET ARCTIC

.....DOWN PAST OUR EAST COAST

DOWN PAST OUR EAST COAST TO CUBAN AIRFIELDS AND EVENTUALLY ON TO ANGOLA. THE NICARAGUAN BASE WILL ENABLE THESE SAME AIRCRAFT TO FLY ALONG OUR WEST COAST ON THEIR WAY TO SOVIET BASES IN THE FAR EAST. THUS, FOR THE FIRST TIME, THE SOVIETS WILL HAVE THE CAPABILITY TO PLACE THEIR FORCES IN A "RING" AROUND THE UNITED STATES AND CANADA.

DURING THE BREZHNEV ERA, THE SOVIETS ANNOUNCED THE SO-CALLED BREZHNEV DOCTRINE WHICH SAYS, IN EFFECT, "ONCE COMMUNIST, ALWAYS COMMUNIST." THIS IS THE POLICY, YOU MAY RECALL, THAT AFFORDED THE SOVIETS THE PRETEXT THEY SOUGHT FOR INVADING CZECHOSLOVAKIA IN 1968. THERE IS EVERY INDICATION THAT--DESPITE HIS SMILES AND SMOOTH MANNER-- CHAIRMAN GORBACHEV WILL APPLY THAT DOCTRINE WITH RENEWED VIGOR. HE WILL DO THIS BY SHIPPING MORE WEAPONS TO CUBA FOR USE AGAINST JONAS SAVIMBI IN ANGOLA, AND TO MARXIST NICARAGUA FOR USE AGAINST ARTURO CRUZ AND HIS RESISTANCE FORCES IN NICARAGUA. HE WILL SUPPLY VIETNAM MORE WEAPONS FOR SUPPRESSION OF RESISTANCE IN KAMPUCHEA. AND THERE IS EVERY INDICATION THAT HE WILL REDOUBLE SOVIET EFFORTS TO CRUSH THE VALIANT MUJAHEDIN WHO HAVE RESISTED RUSSIAN AGGRESSION IN AFGHANISTAN FOR MORE THAN SIX YEARS.

WE RECENTLY WITNESSED A SUDDEN AND DRAMATIC DISPLAY OF GORBACHEV'S APPLICATION OF THE BREZHNEV DOCTRINE IN ITS SOUTH YEMEN SATRAPY. AS YOU MAY BE AWARE, THE SOVIETS SUCCEEDED IN ESTABLISHING A MARXIST-LENINIST REGIME IN SOUTH YEMEN IN THE EARLY 1970s. THEY SOON ESTABLISHED A NAVAL BASE AND COMMUNICATIONS CENTER THERE TO SUPPORT THEIR OPERATIONS IN THE INDIAN OCEAN AND THE RED SEA. RECENTLY, ALI NASSER, PRESIDENT OF SOUTH YEMEN, BEGAN TO DRAW AWAY A LITTLE FROM THE SOVIETS AND SEEK SOME HELP ELSEWHERE. IN JANUARY, HARDLINE PRO-SOVIET ELEMENTS IN HIS GOVERNMENT

7INITIATED A COUP AGAINST

INITIATED A COUP AGAINST ALI NASSER. THE COUP SOON ESCALATED INTO A BLOODY CIVIL WAR BETWEEN MILITARY AND TRIBAL ELEMENTS LOYAL TO PRESIDENT ALI NASSER AND THOSE OF THE HARDLINE PRO-SOVIET CAMP.

NOW THE HARDLINE YEMENI VICE PRESIDENT HAPPENED TO BE IN MOSCOW "FOR CONSULTATIONS." THE SOVIETS SAT AND WATCHED THE BLOOD FLOW FOR A FEW DAYS, WHILE EVACUATING SOVIET DEPENDENTS FROM THE COUNTRY. NEIGHBORING COUNTRIES, NORTH YEMEN AND ETHIOPIA, SOUGHT TO HELP THE SOUTH YEMEN GOVERNMENT. A FEW DAYS LATER, IT APPEARED THAT THE PRO-SOVIET REBELS WERE GAINING THE UPPER HAND. MOSCOW THEREUPON WARNED BOTH NORTH YEMEN AND ETHIOPIA NOT TO HELP THE GOVERNMENT FORCES. MOREOVER, MOSCOW ORDERED SOVIET FLIERS, USING MIG-21'S GIVEN TO THE SOUTH YEMEN GOVERNMENT, TO POUND BELEAGUERED GOVERNMENT FORCES. AND SOVIET TRANSPORT PLANES STARTED BRINGING IN ADDITIONAL WEAPONS FOR THE HARDLINERS. TO TIE THINGS UP, THE SOUTH YEMEN POLITBURO THEN MET AND DECLARED THE VICE PRESIDENT, THEN SITTING IN MOSCOW, TO BE THE COUNTRY'S NEW PRESIDENT.

NOW THIS IS NOT NEW. WE'VE SEEN IT HAPPEN BEFORE. THE SOVIETS REMOVED TWO PUPPETS IN AFGHANISTAN IN 1979, AND PROBABLY WERE BEHIND THE MURDER OF MAURICE BISHOP OF GRENADA IN 1983. THE MESSAGE IN ALL THESE CASES IS CLEAR: LEADERS OF GOVERNMENTS INSTALLED BY MOSCOW WHO SEEK IMPROVED RELATIONS WITH THE WEST DO SO AT THEIR PERIL.

YET ANOTHER WORRISOME PROBLEM FOR THE U.S. GOVERNMENT IS THE SPREAD OF SMALL WARS, MANY OF WHICH ARE WAGED BY PROXY. THERE ARE PRESENTLY FORTY-TWO CONFLICTS RAGING THAT INVOLVE SOME FOUR MILLION PEOPLE IN WARS, REBELLIONS, OR UPRISINGS. THIS IS TO SAY THAT ONE OF EVERY FOUR

....COUNTRIES IS AT WAR.

COUNTRIES IS AT WAR. FEW OF THESE CONFLICTS HAVE BEEN FORMALLY DECLARED. THIS AMBIGUITY ABOUT INCIPIENT AND ACTUAL CONFLICTS PLACES A SPECIAL PREMIUM ON TIMELY, EFFECTIVE INTELLIGENCE.

THE MASSIVE LETHAL POWER POSSESSED BY THE GREAT NATIONS--AND ESPECIALLY BY THE UNITED STATES AND SOVIET UNION--HAS HAD A STILL INADEQUATELY UNDERSTOOD EFFECT UPON WARFARE. SMALLER NATIONS ARE INFINITELY MORE FREE TO UNDERTAKE BELLIGERENT ACTION THAN ARE THE TWO MUSCLE-BOUND GIANTS. THIS DOES NOT MEAN THAT WE AND THE SOVIETS ARE EQUALLY PARALYZED, OR THAT THE U.S. AND U.S.S.R. ADAPT TO THIS REALITY IN SIMILAR WAYS. AS WE HAVE SEEN IN THE MIDDLE EAST AND SOUTH ASIA, THE BELLIGERENT PROPENSITIES OF SMALLER NATIONS ALL TOO OFTEN INVOLVE THE INTERESTS OF THE SUPERPOWERS AND, SOMEWHAT LESS OFTEN, THE PARTICIPATION BY A SUPERPOWER BY MEANS SHORT OF WAR. NOW, WHERE AND WHY SUCH INDIRECT INTERVENTION OCCURS IS A CRUCIAL DIFFERENCE BETWEEN THE EASTERN BLOC AND THE WEST. SO, TOO, IS THE FREEDOM OR EAGERNESS WITH WHICH SUCH INDIRECT ACTION OCCURS.

THE SOVIET UNION HAS PRESSED TO THE HILT ITS USE OF PROXY NATIONS TO CARRY OUT ITS WARS ABROAD. IT IS PERFECTLY CONTENT TO RELY ON OUR FEAR OF WIDER--ESPECIALLY, NUCLEAR--WAR TO KEEP US LARGELY PARALYZED. INDEED, THAT MAY BE THE PRIMARY VALUE OF THEIR GREAT NUCLEAR ARSENAL.

DURING THE SEVENTIES, THE SOVIETS USED THIS PROCESS OF DESTABILIZATION, SUBVERSION AND SUPPORT OF INSURGENCIES TO GAIN CONTROL OF VIETNAM, ANGOLA, SOUTH YEMEN, ETHIOPIA, CAMBODIA, AFGHANISTAN, AND

9NICARAGUA. FROM THESE BASES

NICARAGUA. FROM THESE BASES THEY THREATEN OTHER NATIONS IN CENTRAL AMERICA, ASIA AND AFRICA.

BUT TODAY, PEOPLE AROUND THE WORLD ARE NO LONGER JOINING COMMUNIST INSURGENCIES. RATHER, CLOSE TO HALF A MILLION PEOPLE HAVE TAKEN UP ARMS AGAINST OPPRESSIVE REGIMES SET UP BY THE SOVIETS OR THEIR ALLIES IN AFGHANISTAN, CAMBODIA, ANGOLA, ETHIOPIA, LAOS AND NICARAGUA.

MORE IMPORTANTLY, OVER THE LAST FEW YEARS DEMOCRACY HAS TAKEN HOLD OR MADE GREAT PROGRESS IN EL SALVADOR, HONDURAS, GUATEMALA, ARGENTINA, BRAZIL, PAKISTAN AND SEVERAL OTHER COUNTRIES.

JUST IN THE PAST SIX MONTHS, ONE-MAN RULE IN HAITI AND THE PHILIPPINES HAS BEEN REPLACED BY GOVERNMENTS COMMITTED TO A DEMOCRATIC FUTURE. WE CAN PARTICULARLY REJOICE OVER THE RECENT DEVELOPMENTS IN THE PHILIPPINES WHERE THE WHOLE NATION TOOK PART IN AN ELECTION--QUITE FREE, THOUGH MARRED BY FRAUD--IN WHICH LARGE NUMBERS OF PEOPLE USED NON-VIOLENT POPULAR EXPRESSION TO FREE THEMSELVES OF TWO DECADES OF MARTIAL LAW. NOW WE HAVE THE CHALLENGE OF HELPING HAITI RESIST CUBAN SUBVERSION AND THE AQUINO GOVERNMENT DEAL WITH A SAGGING ECONOMY AND A FESTERING COMMUNIST INSURGENCY IN THE PHILIPPINES.

IN RECENT YEARS WE HAVE ALSO SEEN THE GROWTH OF A NEW FORM OF WAR--INTERNATIONAL TERRORISM--SUPPORTED, IF NOT SPAWNED BY VARIOUS SOVEREIGN STATES TO PROMOTE OR IMPLEMENT THEIR FOREIGN POLICY. THE SOVIETS AND THEIR FRIENDS HAVE DISCOVERED IN TERRORISM A LOW-COST, LOW-RISK MEANS OF ATTACKING DEMOCRATIC GOVERNMENTS IN EUROPE, THE
.....MIDDLE EAST, AND LATIN AMERICA.

MIDDLE EAST, AND LATIN AMERICA. UNFORTUNATELY, SOME VICTIM NATIONS--
PARTICULARLY WESTERN EUROPEAN NATIONS--HAVE BEEN NOTICEABLY RELUCTANT TO
PUNISH THOSE WHO UNLEASH TERROR ON THEIR CITIZENS. WE HAVE SEEN THIS
DISAPPOINTING REACTION FROM OUR ALLIES EVEN AS RECENTLY AS THE AIRSTRIKE
ON LIBYAN TERRORIST BASES.

CLEARLY, ONE OF THE MOST DIFFICULT, YET COMPELLING TASKS FOR
INTELLIGENCE IN THE YEARS AHEAD WILL BE TO PENETRATE THE SMALL, FANATICAL
GROUPS WHICH CARRY OUT THE CRIMINAL ACTS OF MURDER, ROBBERY, BOMBING, AND
KIDNAPPING. THESE GROUPS ARE UTTERLY WITHOUT MORAL RESTRAINT, AND HOLD
EVEN INNOCENT PEOPLE IN COMPLETE CONTEMPT. INDEED, MURDER IS THEIR
WEAPON OF FIRST, NOT LAST RESORT.

TERRORISM TODAY IS MORE LETHAL AND MORE WIDESPREAD THAN IT HAS EVER
BEEN. THIS IS SO BECAUSE MANY GROUPS NOW ARE STATE-SUPPORTED, SPONSORED,
AND EVEN DIRECTED IN SOME CASES. A "RADICAL ENTENTE" CONSISTING OF IRAN,
LIBYA, NORTH KOREA, CUBA, AND TO SOME EXTENT, SYRIA, IS MAKING A GREAT
EFFORT TO UNDERMINE THE INFLUENCE OF THE UNITED STATES AND ITS ALLIES IN
MANY PARTS OF THE GLOBE AND TO WEAKEN MODERATE STATES EVERYWHERE. SOME
TIN POT DESPOTS LIKE MUAMMAR QADHAFI OF LIBYA SEE IN TERRORISM A NEW
GOSPEL OF VIOLENCE THAT WILL RESULT IN FUNDAMENTAL POLITICAL CHANGE IN
THE MIDDLE EAST AND ELSEWHERE.

IN THESE ACTIVITIES, THE SOVIET UNION AND EAST BLOC NATIONS ARE NOT
FAR IN THE BACKGROUND. THE SOVIETS' WELL-DOCUMENTED ROLE IN
INTERNATIONAL TERRORISM IS TO PROVIDE MONEY AND TRAINING, ARMS AND
EXPLOSIVES, PASSPORTS AND OTHER DOCUMENTS, INFILTRATION AND ESCAPE

....ROUTES, TRANSPORTATION AND

ROUTES, TRANSPORTATION AND COMMUNICATIONS, SAFEHAVEN, AND MORE. THE SOVIETS ARE AIDED IN THIS EFFORT BY THEIR EAST EUROPEAN ALLIES, NOTABLY EAST GERMANY, CZECHOSLOVAKIA, AND BULGARIA.

YET ANOTHER CHALLENGE TO THE WEST, AND ONE THAT IS NOT WELL RECOGNIZED FOR ITS TRUE IMPORTANCE, IS THE THREAT TO OUR NATIONAL ECONOMY AND THE POLITICAL STABILITY OF OUR FRIENDS FROM RAPIDLY GROWING WORLD INDEBTEDNESS. IT IS HERE THAT THE INTERDEPENDENCE BETWEEN INDUSTRIAL AND LESS-DEVELOPED COUNTRIES IS MOST APPARENT.

A DECISION WAS MADE A FEW YEARS AGO BY A HANDFUL OF MEN WHICH LED TO A REDUCTION IN THE PRICE OF OIL--A PRICE REDUCTION BY MORE THAN A THIRD IN LESS THAN A MONTH. THE LIFE AND DEATH OF NATIONS AND THEIR ECONOMIES WILL REST ON HOW LOW AND HOW FAST THAT PRICE FALLS. SOME NATIONS WILL BENEFIT. OTHERS WILL FACE GREAT SOCIAL AND ECONOMIC CHAOS.

ONLY WISE, AND SWIFT GOVERNMENT POLICIES CAN PROVIDE THE POSSIBILITY OF MODERATING THESE CONSEQUENCES. AND POLICY FORMULATION, IF NOT BASED ON SOUND INTELLIGENCE, WILL BE PARTIALLY BLIND.

A NUMBER OF LESS-DEVELOPED NATIONS ARE NOW INDEBTED TO BANKS, GOVERNMENTS, AND INTERNATIONAL LENDING INSTITUTIONS BY SOME \$850 BILLION. NOW, IT IS LESS THE DEBTS THEMSELVES THAN IT IS THE CONSEQUENCES WHICH FLOW FROM THEIR POSSIBLE NON-PAYMENT THAT HOLDS THE WORLD ECONOMY IN THRALL.

IT IS UNFORTUNATE THAT MANY COUNTRIES NOW HAVING ENORMOUS DEBTS ARE THOSE WHICH ONLY RECENTLY ADOPTED DEMOCRATIC GOVERNMENTAL FORMS. POLITICAL AND SOCIAL UNREST IN THOSE COUNTRIES COULD SWIFTLY SNUFF OUT THE GAINS MADE, AND RETURN THOSE COUNTRIES TO AUTHORITARIAN RULE.

INDEED, THE SITUATION SOMEWHAT RESEMBLES THAT OF THE WEIMAR REPUBLIC IN GERMANY AFTER WORLD WAR I WHICH WAS SADDLED WITH ENORMOUS WAR REPARATIONS THAT IT COULD NOT PAY. EVEN WHEN THESE HUGE DEBTS WERE STRETCHED OUT UNDER VARIOUS REPAYMENT SCHEMES, GERMANY'S DEBT CONTINUED TO BURGEON AND LED TO UNEMPLOYMENT AND POLITICAL EXTREMISM. THE RESULT WAS THE COLLAPSE OF DEMOCRACY IN GERMANY AND THE RISE TO POWER OF A TOTALITARIAN REGIME. TODAY, THE SITUATION IS EQUALLY DANGEROUS--PERHAPS EVEN MORE SO--BECAUSE THE ECONOMY HAS BECOME GLOBAL, AND BANKING AND CREDIT SOURCES ARE CLOSELY INTERLINKED ON A WORLDWIDE BASIS.

POLITICAL PRESSURES ON LEADERS OF DEBT-RIDDEN COUNTRIES ARE GROWING DAILY. MEXICAN LEADERS TODAY ARE FACING GROWING PRESSURES TO TAKE UNILATERAL ACTION THAT COULD LEAD TO DEBT REPUDIATION IN THE NEXT FEW WEEKS. IF MEXICO SHOULD GO THIS ROUTE, ARGENTINA AND PERU MIGHT BE TEMPTED TO FOLLOW. AND, OUTSIDE LATIN AMERICA, MANY AFRICAN AND SOME ASIAN COUNTRIES LIKE PERHAPS THE PHILIPPINES, COULD FOLLOW SUIT.

GIVEN THESE PRESSURES, THE DEBTOR COUNTRIES MAY BE DRAWING CLOSER TO THE POINT WHERE THEY FACE THE CHOICE BETWEEN DEBT REPUDIATION AND POLITICAL UPHEAVAL. OBVIOUSLY, NEITHER OPTION IS GOOD FOR US.

....TO STOP THIS POTENTIAL
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TO STOP THIS POTENTIAL LANDSLIDE, NEW INITIATIVES NEED TO BE CONSIDERED.

THE TRUTH IS THAT THE DEBTOR COUNTRIES ARE RIPE FOR SOMETHING LIKE A REORGANIZATION UNDER CHAPTER 11 OF THE BANKRUPTCY LAW TO PRIVATE CORPORATIONS OVERBURDENED BY DEBT. SUCH AN ACTION USUALLY DEVELOPS INTO A THREE-WAY SPLIT ON HANDLING THE EXCESSIVE LOAD OF DEBT. APPLYING THIS TO WORLD DEBT, THE INDUSTRIAL COUNTRIES WOULD APPROVE THE WRITE-OFF OF SOME EXISTING LOANS TO TROUBLED THIRD WORLD DEBTORS. INTERNATIONAL FINANCIAL INSTITUTIONS--THE IMF, THE WORLD BANK, AND REGIONAL DEVELOPMENT BANKS--WOULD ASSUME RESPONSIBILITY TO REFINANCE. THE DEBTOR COUNTRIES THEMSELVES WOULD CONTINUE TO BE RESPONSIBLE FOR THE REMAINDER. MOREOVER, ENOUGH CUSHION WOULD HAVE TO BE CREATED IN THE GLOBAL FINANCIAL SYSTEM TO ALLOW A RESUMPTION OF ECONOMIC GROWTH IN DEBTOR COUNTRIES.

THE ADVANTAGE OF THIS OPTION OVER CURRENT DISCUSSIONS ON INTEREST RATES IS THAT IT DEALS WITH CAUSE--LARGE AND GROWING PRINCIPAL--RATHER THAN THE SYMPTOMS--INTEREST PAYMENTS. MORE IMPORTANTLY, IT PUTS THE INITIATIVE IN OUR HANDS RATHER THAN THE DEBTORS'. IF THE DEBT SITUATION IS GOING TO UNRAVEL IN ANY CASE, THE UNITED STATES SHOULD BE IN THE DRIVER'S SEAT.

SO, WHAT DOES ALL THIS HAVE TO DO WITH AMERICAN INTELLIGENCE?

THE PRIMARY PURPOSE OF AMERICAN INTELLIGENCE IS TO AVERT WAR BY ALERTING OUR LEADERS TO ANY MILITARY DANGERS TO OUR NATIONAL SECURITY. THE SECOND ROLE IS TO HELP THE PRESIDENT AND HIS TOP ADVISERS FRAME SOUND

....POLICIES NEEDED TO RETAIN
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POLICIES NEEDED TO RETAIN AMERICAN STRENGTH AGAINST A MYRIAD OF POLITICAL, ECONOMIC, AND EVEN TECHNOLOGICAL THREATS TO THIS COUNTRY.

WE LIVE IN A WORLD IN WHICH OUR INTERDEPENDENCE INCREASES FASTER THAN OUR UNDERSTANDING OF THE SIGNIFICANCE OF THAT INTERDEPENDENCE. WE ARE INCREASINGLY DEPENDENT, FOR EXAMPLE, EVEN FOR OUR VITAL SOURCES OF MILITARY STRENGTH ON CAPABILITIES AND RESOURCES WHICH ARE DIMINISHING HERE AND INCREASING ELSEWHERE. THAT INTERDEPENDENCE INVOLVES MANUFACTURING AND TRADE, COMMODITIES AND CREDIT, COMMUNICATIONS AND IDEAS, AND VITAL NATURAL RESOURCES. SOMETIMES, THAT INTERDEPENDENCE HAS THE EFFECT OF STIMULATING TENSIONS BETWEEN NATIONS OR INCREASING INSTABILITY WITHIN THEM.

INTELLIGENCE IS AN INDISPENSABLE TOOL THAT ENABLES US TO UNDERSTAND THE CONSEQUENCES OF THIS RAPID MOVEMENT TO A PROFOUNDLY CHANGED AND INTERDEPENDENT WORLD. IT ENABLES US TO DEVISE POLICIES WHICH ENHANCE OUR ABILITY TO SHAPE OUR DESTINY.

INCREASINGLY, THERE IS BROAD RECOGNITION THAT THE AMERICAN INTELLIGENCE COMMUNITY HAS A RESPONSIBILITY ON BEHALF OF THE ENTIRE GOVERNMENT FOR WHAT I CALL "SCOUTING THE FUTURE." NOWHERE ELSE IN GOVERNMENT IS THERE THE INFORMATION, EXPERTISE, OR RESOURCES TO LOOK ACROSS THE BROAD SPECTRUM OF INTERNATIONAL POLITICAL, ECONOMIC, MILITARY, SOCIOLOGICAL, AND DEMOGRAPHIC DEVELOPMENTS TAKING PLACE IN OUR WORLD, AND TO DISTILL FROM THEM CAREFUL ASSESSMENTS OF PROBLEMS WE WILL FACE NOW AND PAST THE YEAR 2000.

THE BASIC BUSINESS OF CIA, CONTRARY TO THE MOVIES, IS THE DAILY PRODUCTION OF FINISHED INTELLIGENCE. THIS FINISHED INTELLIGENCE IS VERY TIGHTLY HELD AND IS INTENDED, AS I SAID, FOR USE BY THE PRESIDENT AND HIS TOP ASSOCIATES. INDEED, EACH DAY MY ANALYSTS PRODUCE THE NATIONAL INTELLIGENCE DAILY AND MORE DETAILED, LONGER-TERM ANALYTICAL STUDIES OF SPECIALIZED PROBLEMS. LET ME, AT THE OUTSET, CORRECT ANY MISPERCEPTIONS YOU MAY HAVE HAD ABOUT CIA BEING SOMEHOW IN THE LAW ENFORCEMENT OR REGULATORY BUSINESS. WE ARE NOT. NOR DO WE WISH TO BE. OUR JOB IS TO COLLECT THE BEST INFORMATION WE CAN FROM THE FOUR CORNERS OF THE GLOBE, TO APPLY THE BEST BRAINS IN THE U.S. GOVERNMENT TO ANALYZING THAT INFORMATION, AND TO PRODUCE THE BEST FINISHED INTELLIGENCE OF ANY INTELLIGENCE SERVICE IN THE WORLD. AND WE DO.

THERE IS A FUNDAMENTAL DIFFERENCE IN THE MISSION OF INTELLIGENCE IN THE WESTERN DEMOCRACIES, AND AS IT IS PRACTICED IN THE SOVIET UNION AND OTHER MARXIST-LENINIST STATES. IN THE WEST, INTELLIGENCE IS INTENDED TO UNDERSTAND BROAD TRENDS SO AS TO ENSURE INTERNATIONAL STABILITY AND TO MAKE INEVITABLE CHANGE AS ORDERLY AND PRODUCTIVE AS POSSIBLE. IT ESSENTIALLY SEEKS TO PROTECT THE DEMOCRATIC ORDER. IT IS TRUE THAT, UPON OCCASION, ITS ERRORS AND BIASES TEND TOWARD THE MAINTENANCE OF THE STATUS QUO.

ON THE OTHER HAND, IN THE SOVIET UNION, THE KGB'S ROLE IS ALMOST THE EXACT OPPOSITE. ITS FUNCTION AT HOME IS TO SUPPRESS DISSENT AND TO ROOT OUT DISSENTERS. INDEED, ITS PRIMARY FUNCTION IS TO ENSURE THE CONTINUED RULE OF THE COMMUNIST PARTY OF THE SOVIET UNION. SECONDARILY, ITS FUNCTION IS TO GENERATE AND EXPLOIT TURBULENCE BEYOND SOVIET BORDERS.

.... "THE WORSE, THE BETTER"
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"THE WORSE, THE BETTER" IS AN OLD RUSSIAN NIHILIST MAXIM WHICH APTLY DESCRIBES THE THRUST OF LENINIST INTELLIGENCE ACTIVITIES IN OTHER COUNTRIES. THE SOVIET INTELLIGENCE APPARATUS IS, BY ITS VERY NATURE, THE MERCHANT OF DISORDER, THE PROVOCATEUR, THE MAGNIFIER OF SOCIAL, ECONOMIC, OR POLITICAL WEAKNESS OR DISTRESS. IT IS THE ULTIMATE FORCE FOR ENHANCING THE POSSIBILITY OF VIOLENT, EXTERNAL UPHEAVAL---AND IS CAREFUL ONLY THAT THE FLAMES IGNITED NOT SINGE THE HANDS THAT KINDLE THEM.

LADIES AND GENTLEMEN, IN CLOSING MY ADDRESS TO YOU THIS EVENING, I WISH TO ASSURE YOU THAT AMERICAN INTELLIGENCE WILL PROTECT NOT ONLY OUR NATION'S FREEDOM, SECURITY, AND STABILITY, BUT ENHANCE THE SECURITY AND STABILITY OF ALL DEMOCRATIC NATIONS. THIS MISSION WILL INCREASE IN IMPORTANCE WITH EACH PASSING YEAR. THANK YOU VERY MUCH FOR YOUR ATTENTION.